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IDAHO PUBLIC UTILITIES COMMISSION

ANNUAL REPORT

OF

FALLS WATER COMPANY, INC.

NAME

2025 E FIRST ST, IDAHO FALLS, ID 83401

ADDRESS

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED

DECEMBER 31, 2001

2001

**ANNUAL REPORT FOR WATER UTILITIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING 31-Dec-01**

COMPANY INFORMATION

1 Give full name of utility Falls Water Company, Inc.
 2 Date of Organization 9-Jan-59
 3 Organized under the laws of the state of Idaho
 4 Address of Principal Office (number & street) 2025 E First Street
 5 P.O. Box (if applicable) _____
 6 City Idaho Falls
 7 State Idaho
 8 Zip Code 83401
 9 Organization (proprietor, partnership, corp.) Not-for-profit corporation
 10 Towns, Counties served Bonneville County

 11 Are there any affiliated companies? No

If yes, attach a list with names, addresses & descriptions. Explain any services provided to the utility.

12 Contact Information	Name	Phone No.
President (Owner)	Kelly D. Howell	208-522-1300
Vice President		
Secretary	Dean L. Howell	208-522-1300
General Manager	K. Scott Bruce	208-522-1300
Complaints or Billing	K. Scott Bruce	208-522-1300
Engineering	Tony Wise	208-522-1300
Emergency Service	Tony Wise	208-522-1300
Accounting	K. Scott Bruce	208-522-1300

13 Were any water systems acquired during the year or any additions/deletions made to the service area during the year? Yes

If yes, attach a list with names, addresses & descriptions. Explain any services provided to the utility.

14 Where are the Company's books and records kept?
 Street Address 2025 E First Street
 City Idaho Falls
 State Idaho
 Zip 83401

NAME: Falls Water Company, Inc.

COMPANY INFORMATION (Cont.)

For the Year Ended 31-Dec-01

15 Is the system operated or maintained under a service contract? Yes

16 **If yes:** With whom is the contract? Howell & Howell, Inc.
When does the contract expire? Month-to-month
What services and rates are included? All Labor, both field and office

17 Is water purchased for resale through the system? No

18 **If yes:** Name of Organization _____
Name of owner or operator _____
Mailing Address _____
City _____
State _____
Zip _____

Gallons/CCF | \$Amount

Water Purchased

19 Has any system(s) been disapproved by the Idaho Division of Environmental Quality? No
If yes, attach full explanation

20 Has the Idaho Division of Environmental Quality recommended any improvements? No
If yes, attach full explanation

21 Number of Complaints received during year concerning:
Quality of Service No Record
High Bills No Record
Disconnection No Record

22 Number of Customers involuntarily disconnected No Record

23 Date customers last received a copy of the Summary of Rules required by IDAPA 31.21.01.701? Jun-01
Attach a copy of the Summary

24 Did significant additions or retirements from the Plant Accounts occur during the year? No
If yes, attach full explanation and an updated system map

NAME: Falls Water Company, Inc.

REVENUE & EXPENSE DETAIL

For the Year Ended 31-Dec-01

ACCT #	DESCRIPTION		
400 REVENUES			
1	460	Unmetered Water Revenue	87810
2	461.1	Metered Sales - Residential	210878
3	461.2	Metered Sales - Commercial, Industrial	7591
4	462	Fire Protection Revenue	
5	464	Other Water Sales Revenue	
6	465	Irrigation Sales Revenue	
7	466	Sales for Resale	
8	400	Total Revenue (Add Lines 1 - 7) (also enter result on Page 4, line 1)	306278
9	* DEQ Fees Billed separately to customers		Booked to Acct # _____
10	** Hookup or Connection Fees Collected	22951	Booked to Acct # (421) 469
11	***Commission Approved Surcharges Collected		Booked to Acct # _____
401 OPERATING EXPENSES			
12	601.1-6	Labor - Operation & Maintenance	39381
13	601.7	Labor - Customer Accounts	4800
14	601.8	Labor - Administrative & General	86400
15	603	Salaries, Officers & Directors	
16	604	Employee Pensions & Benefits	
17	610	Purchased Water	2224
18	615-16	Purchased Power & Fuel for Power	80602
19	618	Chemicals	
20	620.1-6	Materials & Supplies - Operation & Maint.	17963
21	620.7-8	Materials & Supplies - Administrative & General	24827
22	631-34	Contract Services - Professional	4563
23	635	Contract Services - Water Testing	8837
24	636	Contract Services - Other	24400
25	641-42	Rentals - Property & Equipment	2681
26	650	Transportation Expense	3886
27	656-59	Insurance	
28	660	Advertising	1511
29	666	Rate Case Expense (Amortization)	
30	667	Regulatory Comm. Exp. (Other except taxes)	
31	670	Bad Debt Expense	1794
32	675	Miscellaneous	9045
33	Total Operating Expenses (Add lines 12 - 32, also enter on Pg 4, line 2)		312913

Name: Falls Water Company, Inc.

INCOME STATEMENT

For Year Ended 31-Dec-01

ACCT #	DESCRIPTION		
1	Revenue (From Page 3, line 8)		306278
2	Operating Expenses (From Page 3, line 33)	312913	
3 403	Depreciation Expense	20346	
4 406	Amortization, Utility Plant Aquisition Adj.		
5 407	Amortization Exp. - Other		
6 408.10	Regulatory Fees (PUC)	905	
7 408.11	Property Taxes	2855	
8 408.12	Payroll Taxes		
9A 408.13	Other Taxes (list) DEQ Fees		
9B			
9C			
9D			
10 409.10	Federal Income Taxes		
11 409.11	State Income Taxes	30	
12 410.10	Provision for Deferred Income Tax - Federal		
13 410.11	Provision for Deferred Income Tax - State		
14 411	Provision for Deferred Utility Income Tax Credits		
15 412	Investment Tax Credits - Utility		
16	Total Expenses from operations before interest (add lines 2-15)	337048	
17 413	Income From Utility Plant Leased to Others		
18 414	Gains (Losses) From Disposition of Utility Plant		
19	Net Operating Income (Add lines 1, 17 & 18 less line 16)		-30770
20 415	Revenues, Merchandizing Jobbing and Contract Work		
21 416	Expenses, Merchandizing, Jobbing & Contracts		
22 419	Interest & Dividend Income		
23 420	Allowance for Funds used During Construction		
24 421	Miscellaneous Non-Utility Income	25686	
25 426	Miscellaneous Non-Utility Expense		
26 408.20	Other Taxes, Non-Utility Operations		
27 409-20	Income Taxes, Non-Utility Operations		
28	Net Non-Utility Income (Add lines 20,22,23 & 24 less lines 21,25,26, & 27)		25686
29	Gross Income (add lines 19 & 28)		-5084
30 427.3	Interest Exp. on Long-Term Debt		21
31 427.5	Other Interest Charges		
32	NET INCOME (Line 29 less lines 30 & 31) (Also Enter on Pg 9, Line 2)		-5105

Name: Falls Water Company, Inc.

ACCOUNT 101 PLANT IN SERVICE DETAIL
 For Year Ended 31-Dec-01

SUB ACCT #	DESCRIPTION	Balance Beginning of Year	Added During Year	Removed During Year	Balance End of Year
1 301	Organization				
2 302	Franchises and Consents				
3 303	Land & Land Rights	3329			3329
4 304	Structures and Improvements	0	8707		8707
5 305	Collecting & Impounding Reservoirs				
6 306	Lake, River & Other Intakes				
7 307	Wells	52805			52805
8 308	Infiltration Galleries & Tunnels				
9 309	Supply Mains				
10 310	Power Generation Equipment	16693			16693
11 311	Power Pumping Equipment	143276	44442		187719
12 320	Purification Systems	15865			15865
13 330	Distribution Reservoirs & Standpipes	494			494
14 331	Trans. & Distrib. Mains & Accessories	91770			91770
15 333	Services				
16 334	Meters and Meter Installations	96601	22134		118735
17 335	Hydrants				
18 336	Backflow Prevention Devices				
19 339	Other Plant & Misc. Equipment				
20 340	Office Furniture and Equipment	5344	2131		7476
21 341	Transportation Equipment	13261			13261
22 342	Stores Equipment				
23 343	Tools, Shop and Garage Equipment	9583			9583
24 344	Laboratory Equipment				
25 345	Power Operated Equipment				
26 346	Communications Equipment				
27 347	Miscellaneous Equipment				
28 348	Other Tangible Property				
29	TOTAL PLANT IN SERVICE	449022	77415		526437

(Add lines 1 - 28)

Enter beginning & end of year totals on Pg 7, Line 1

Name: Falls Water Company, Inc.

ACCUMULATED DEPRECIATION ACCOUNT 108.1 DETAIL

For Year Ended 31-Dec-01

SUB ACCT #	DESCRIPTION	Depreciation Rate %	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
1 304	Structures and Improvements				
2 305	Collecting & Impounding Reservoirs				
3 306	Lake, River & Other Intakes				
4 307	Wells		20943	22857	1913
5 308	Infiltration Galleries & Tunnels				
6 309	Supply Mains				
7 310	Power Generation Equipment		2608	3443	835
8 311	Power Pumping Equipment		92557	100902	8345
9 320	Purification Systems		15865	15865	0
10 330	Distribution Reservoirs & Standpipes		494	494	0
11 331	Trans. & Distrib. Mains & Accessories		56515	58195	1680
12 333	Services				
13 334	Meters and Meter Installations		56827	64095	7267
14 335	Hydrants				
15 336	Backflow Prevention Devices				
16 339	Other Plant & Misc. Equipment				
17 340	Office Furniture and Equipment		5439	5743	305
18 341	Transportation Equipment		12960	12960	0
19 342	Stores Equipment				
20 343	Tools, Shop and Garage Equipment		9583	9583	0
21 344	Laboratory Equipment				
22 345	Power Operated Equipment				
23 346	Communications Equipment				
24 347	Miscellaneous Equipment				
25 348	Other Tangible Property				
26	TOTALS (Add Lines 1 - 25)		273792	294137	20346

Enter beginning & end of year totals on Pg 7, Line 7

Name: Falls Water Company, Inc.

BALANCE SHEET

For Year Ended 31-Dec-01

		ASSETS	Balance	Balance	Increase
ACCT #	DESCRIPTION		Beginning	End of	or
			of Year	Year	(Decrease)
1	101	Utility Plant in Service (From Pg 5, Line 29)	449022	526437	77415
2	102	Utility Plant Leased to Others			0
3	103	Plant Held for Future Use			0
4	105	Construction Work in Progress			0
5	114	Utility Plant Aquisition Adjustment			0
6		Subtotal (Add Lines 1 - 5)	449022	526437	77415
7	108.1	Accumulated Depreciation (From Pg 6, Line 26)	273792	294137	20346
8	108.2	Accum. Depr. - Utility Plant Lease to Others			0
9	108.3	Accum. Depr. - Property Held for Future Use			0
10	110.1	Accum. Amort. - Utility Plant in Service			0
11	110.2	Accum. Amort. - Utility Plant Lease to Others			0
12	115	Accumulated Amortization - Aquisition Adj.			0
13		Net Utility Plant (Line 6 less lines 7 - 12)	175231	232300	57069
14	123	Investment in Subsidiaries			0
15	125	Other Investments			0
16		Total Investments (Add lines 14 & 15)	0	0	0
17	131	Cash	11925	7635	-4289
18	135	Short Term Investments			0
19	141	Accts/Notes Receivable - Customers	21843	28687	6843
20	142	Other Receivables			0
21	145	Receivables from Associated Companies			0
22	151	Materials & Supplies Inventory			0
23	162	Prepaid Expenses			0
24	173	Unbilled (Accrued) Utility Revenue			0
25	143	Provision for Uncollectable Accounts	1642	1300	-342
26		Total Current (Add lines 17 -24 less line 25)	32126	35022	2896
27	181	Unamortized Debt Discount & Expense			0
28	183	Preliminary Survey & Investigation Charges			0
29	184	Deferred Rate Case Expenses			0
30	186	Other Deferred Charges			0
31		Total Assets (Add lines 13, 16 & 26 - 30)	207356	267322	59966

Name: Falls Water Company, Inc.

BALANCE SHEET

For Year Ended 31-Dec-01

LIABILITIES & CAPITAL

ACCT #	DESCRIPTION	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
1	201-3 Common Stock	25000	25000	0
2	204-6 Preferred Stock			
3	207-13 Miscellaneous Capital Accounts			
4	214 Appropriated Retained Earnings			
5	215 Unappropriated Retained Earnings	49895	90613	40718
6	216 Reacquired Capital Stock			
7	218 Proprietary Capital			
8	Total Equity Capital (Add Lines 1-5+7 less line 6)	74895	115613	40718
9	221-2 Bonds			
10	223 Advances from Associated Companies	0	134284	134284
11	224 Other Long - Term Debt			
12	231 Accounts Payable	134284	0	-134284
13	232 Notes Payable	0	15032	15032
14	233 Accounts Payable - Associated Companies			
15	235 Customer Deposits (Refundable)			
16	236.11 Accrued Other Taxes Payable	0	2820	2820
17	236.12 Accrued Income Taxes Payable			
18	236.2 Accrued Taxes - Non-Utility			
19	237-40 Accrued Debt, Interest & Dividends Payable			
20	241 Misc. Current & Accrued Liabilities			
21	251 Unamortized Debt Premium			
22	252 Advances for Construction			
23	253 Other Deferred Liabilities			
24	255.1 Accumulated Investment Tax Credits - Utility			
25	255.2 Accum. Investment Tax Credits - Non-Utility			
26	261-5 Operating Reserves			
27	271 Contributions in Aid of Construction			
28	272 Accum. Amort. of Contrib. in Aid of Const. **			
29	281-3 Accumulated Deferred Income Taxes			
30	Total Liabilities (Add lines 9 - 29)	134284	152136	17851
31	TOTAL LIAB & CAPITAL (Add lines 8 & 30)	209179	267748	58569

**** Only if Commission Approved**

Name: Falls Water Company, Inc.

STATEMENT OF RETAINED EARNINGS

For Year Ended 31-Dec-01

1	Retained Earnings Balance @ Beginning of Year	95718
2	Amount Added from Current Year Income (From Pg 4, Line 32)	-5105
3	Other Credits to Account	_____
4	Dividends Paid or Appropriated	_____
5	Other Distributions of Retained Earnings	_____
6	Retained Earnings Balance @ End of Year	<u>90613</u>

CAPITAL STOCK DETAIL

7	Description (Class, Par Value etc.)	No. Shares	No. Shares	Dividends
		Authorized	Outstanding	Paid
	COMMON	1000	25	

DETAIL OF LONG-TERM DEBT

8	Description	Interest Rate	Year-end Balance	Interest Paid	Interest Accrued
	Wilcox Construction	6%	134284.22	0	0

Name: Falls Water Company, Inc.

SYSTEM ENGINEERING DATA

For Year Ended 31-Dec-01

1 Provide an updated system map if significant changes have been made to the system during the year.

2 Water Supply:

Pump Designation or location	Rated Capacity (gpm)	Type of Treatment: (None, Chlorine Fluoride Filter etc.)	Annual Production (000's Gal.)	Water Supply Source (Well, Spring, Surface Wtr)
WELL #1	750	SAND SEP	121447	WELL
WELL #2	400		131438	WELL
WELL #3	200	SAND SEP	6161	WELL
WELL #4	1500	SAND SEP	47084	WELL
WELL #5	750	SAND SEP	166125	WELL
PUMP #6	600		250721	WELL
PUMP #7	600		45730	WELL
WELL #8	1500		6558	WELL
Sargent Well	30		5562	WELL

3 System Storage:

Storage Designation or Location	Total Capacity 000's Gal.	Usable Capacity 000's Gal.	Type of Reservoir (Elevated, Pressurized, Boosted)	Construction (Wood, Steel Concrete)
WELL 2/4	5	1.8	Pressurized	Steel

(Duplicate form and attach if necessary. Asterisk facilities added this year.)

Name: Falls Water Company, Inc.

**SYSTEM ENGINEERING DATA
(continued)**

For Year Ended 31-Dec-01

4 Pump information for ALL system pumps, including wells and boosters.

Designation or Location & Type of Pump**	Horse Power	Rated Capacity (gpm)	Discharge Pressure (psi)	Energy Used This Year
Well #2 Turbine Pump #2	40	400	65	
Well #4 Turbine Pump #4	150	1500	65	
Well #6 Submersible Pump #6	75	600	65	
Well #7 Submersible Pump #7	75	600	65	
SUBTOTAL OF ABOVE	The Above Are All on One Power Meter Totaling:			746480
Well #1 Turbine Pump #1	75	750	65	232178
Well #3 Submersible Pump #3	30	200	65	14742
Well #5 Turbine Pump #5	75	750	65	272167
Well #8 Turbine Pump #8	150	1500	65	8360
Sargent Well Submersible Pump	10	30	60	18187

**** Submit pump curves unless previously provided or unavailable. Asterisk facilities added this year.
Attach additional sheets if inadequate space is available on this page.**

- 5 If Wells are metered:
- What was the total amount pumped this year? 775263428
- What was the total amount pumped during peak month? 140646607
- What was the total amount pumped on the peak day? No Record
- 6 If customers are metered, what was the total amount sold in peak month? 68018000
- 7 Was your system designed to supply fire flows? Yes
- If Yes:** What is current system rating? Unknown
- 8 How many times were meters read this year? 7
- During which months? April, May, June, July, August, September, October
-
- 9 How many additional customers could be served with no system improvements except a service line and meter? 425
- How many of those potential additions are vacant lots? 97
- 10 Are backbone plant additions anticipated during the coming year? No
- If Yes, attach an explanation of projects and anticipated costs!**
- 11 In what year do you anticipate that the system capacity (supply, storage or distribution) will have to be expanded? 2005

Name: Falls Water Company, Inc.

SYSTEM ENGINEERING DATA

(continued)

For Year Ended 31-Dec-01

FEET OF MAINS

1	Pipe Size	In Use Beginning Of Year	Installed During Year **	Abandoned During Year**	In Use End of Year
	1"	970	0	970	0
	2"	1580	0	47.05	1532.95
	3"	1190	0	1190	0
	4"	4344	0	2081.36	2262.64
	6"	52922.23	29758.54	0	82680.77
	8"	11786.57	6619.77	0	18406.34
	10"	14454	3014.95	0	17468.95
	12"	0	2927.17	0	2927.17

** Adjustments are the result of completing a physical inventory of mains and mapping the mains in AutoCAD.

CUSTOMER STATISTICS

	Number of Customers		Thousands of Gallons Sold	
	This Year	Last Year	This Year	Last Year
2 Metered:				
2A Residential	1322	1223	276812	N/A
2B Commercial	24	16	29274	N/A
2C Industrial				
3 Flat Rate:				
3A Residential	621	703	N/A	N/A
3B Commercial				
3C Industrial				
4 Private Fire Protection				
5 Public Fire Protection	139	139	N/A	N/A
6 Street Sprinkling				
7 Municipal, Other				
8 Other Water Utilities				
TOTALS (Add lines 2 through 8)	2106	2081	306086	0

FALLS WATER COMPANY, INC.
Year Ending December 31, 2001

Listing of contiguous service area additions in 2001, question 13:

Crimson Valley Subdivision

Beginning at a point that is N87 19'51" W 662.36 feet and N00 24'01"E 390.29 feet from the East Quarter Corner of Section 14, Township 2 North, Range 38 East of the Boise Meridian, said point also being the Northeast Corner of Clover Dale Estates Division Number 8, Bonneville County, as shown on the Recorded Plat thereof, and running thence; N87 19'04"W 1332.84 feet along the North Line of Clover Dale Estates Division Number 8 extended; thence N02 49'18"E 720.00 feet; thence S87 19'04"E 1296.81 feet; thence S00 02'37"E 720.82 feet along a fence to the point of beginning containing 21.73 acres.

Lincoln Industrial Park

Beginning at a point on the West section line lying S0 06'55"E 963.04 feet from the Northwest Corner of Section 15, Township 2 North, Range 38 East of the Boise Meridian and running thence S89 52'18"E 1360.58 feet; thence N0 07'42"E 320.00 feet; thence S89 52'18"E 41.24 feet; thence N0 07'42"E 31.04 feet; thence S89 52'18"E 1095.80 feet; thence N0 07'42"E 336.00 feet; thence S89 52'18"E 433.57 feet; thence S0 07'18"E 273.37 feet; thence 46.52 feet along the arc of a 230 foot radius curve to the right whose long chord bears S5 40'21"W 46.44 feet; thence S89 52'18"E 228.65 feet to the westerly bank of Sand Creek; thence along said westerly bank the following three (3) courses: 1) S27 01'57"E 169.42 feet; 2) S9 00'18" 291.88 feet; 3) S23 27'17"W 224.10 feet; thence West 499.74 feet thence S22 36'15"W 9.12 feet; thence N89 52'18"W 2595.67 feet to said West section line; thence N0 06'55"W along said West section line, 287.00 feet to the point of beginning containing 38.99 acres within the city of Ammon, Bonneville County, Idaho.

Smith Group - RV Center

1523 North 25th East, Idaho Falls, Idaho 83401

CERTIFICATE

State of Idaho)
County of BONNEVILLE) ss

WE, the undersigned Kelly D. Howell, President
and _____
of the Falls Water Company, Inc.
utility, on our oath do severally say that the foregoing report has been prepared under our direction,
from the original books, papers and records of said utility; that we have carefully examined same, and
declare the same to be a correct statement of the business and affairs of said utility for the period
covered by the report in respect to each and every matter and thing therein set forth, to the best of our
knowledge, information and belief.

Kelly D. Howell
(Chief Officer)

Kelly D. Howell
(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me

this 12th day of April, 2002

Dean L. Howell
NOTARY PUBLIC

My Commission Expires 6-3-2004

gdk/excel/jnelson/anulrpts/wtrannualrpt

